



Animal Welfare Policy

August 2022

Kroger is Committed to Promoting Animal Welfare and Preserving Access to Affordable, Fresh Food for Customers

Vision for Animal Welfare

Animal welfare is an important issue to Kroger and our suppliers, customers and associates. We aim to offer high-quality, affordable protein options while maintaining a high standard of animal care and welfare in our supply chain. We have a long-standing commitment to responsible business practices, including the humane treatment of animals, rooted in our Values. We evaluate and update our Animal Welfare Policy annually as needed and based on current animal welfare outcomes and research.

Since 2017, Kroger's approach has been based on the Five Freedoms of animal welfare. In 2023, we will transition the foundation of our policy to the Five Domains of Animal Welfare, an internationally respected approach that emphasizes current animal science and outcome-based standards. In late 2022 and early 2023, we will work with our Animal Welfare Advisory Council, suppliers and other experts to define outcome-based welfare standards and third-party auditing plans in alignment with the Five Domains.

Kroger is committed to continuous improvement and participates in various industry groups, trainings and collaborative platforms to facilitate learning. This includes a membership in the Global Coalition for Animal Welfare (GCAW), a multi-stakeholder group of companies working together for positive change.

We believe that animals should be treated humanely throughout their lives, from breeding to housing and care, and to transport and processing. Violations of our policies or acts of abuse are not tolerated by Kroger and will be investigated thoroughly, as described in more detail below.

Goals & Practices

Our primary focus remains advancing animal welfare for laying hens, pigs, broiler chickens, and beef and dairy cattle. While Kroger is not directly involved in raising or the processing of any animals, we are committed to protecting the welfare of animals in our supply chain. We recognize that best practices for animal care continue to evolve based on research and industry standards. As a result, we continue to work with suppliers and others to evaluate emerging and evolving topics and adopt new practices.

We set responsible sourcing goals to advance positive changes in our food system and supply chain. This policy outlines Kroger's goals and expectations on relevant topics for animal welfare in our protein supply chain. We will share updates in our annual Environmental, Social and Governance (ESG) Report and supplemental reporting resources online.

Laying Hen Housing

Kroger established a goal in 2016 to transition to a 100% cage-free egg supply chain by 2025. Since then, the proportion of cage-free eggs purchased by our customers has increased slowly. We have invested in prices, promotions and premium shelf space to encourage customer purchases of cage-free or higher-welfare eggs; however, we know a majority of our customers depend on eggs as an affordable, high-quality protein source. Going forward, we will continue to offer a variety of eggs to ensure that affordable, healthy protein options are accessible for all Kroger customers.

We expect suppliers to advance laying hen welfare in accordance with evolving research and a thorough assessment of outcome-based measures.

Combination cages: We recognize that combination cages can be helpful for farmers to use as they transition from caged to cage-free systems; however, we ask that cage-free egg suppliers use open aviary systems.

Roadmap: We do not expect to achieve our 2025 goal of 100% cage-free eggs, given the current rate of supplier transition and our customers' demand for affordability. Kroger anticipates transitioning about 70% of eggs sold (units) to cage-free or higher standards by 2030. We will strive for continued progress beyond 2030, expected in large part from our investment to bring the innovative Kipster Farms system from The Netherlands to the U.S., depending on customer engagement.

More details are available in our [Animal Welfare Update](#).

Sow Housing

While there is no single agreed-upon industry standard for sow housing, we expect suppliers to use group housing where sows spend the minimum time necessary in individual stalls to enhance sow health and welfare, protect workers, and preserve access to affordable fresh pork. We continue to expect that sows should be transitioned from breeding stalls to group housing no later than six weeks after breeding. Breeding and farrowing stalls are allowed to protect piglets not yet born and those recently born.

Our sow housing requirements include continued diligence with fresh pork suppliers to help ensure these standards are in place for supplier-owned production facilities and other third-party operated facilities that may be in our fresh pork supply chain. Future sow housing and welfare management will align to the Five Domains and outcome-based measures of welfare, to be outlined in the next year.

Roadmap: By 2025, Kroger will source 100% of fresh pork from sows in group housing systems. This goal reflects input from suppliers, animal welfare experts, our sourcing and category management teams, customers and other stakeholders. We also expect suppliers to provide third-party audits to verify progress on group housing going forward.

More details are available in our [Animal Welfare Update](#).

Broiler Chicken Welfare

We also strive to promote higher-welfare practices among suppliers raising chickens as an affordable fresh protein option for customers. Kroger's current goal is to achieve the following welfare enhancements in at least 50% of our supply for Simple Truth Organic® and Simple Truth Natural® fresh chicken:

- Maximum stocking density of 6.0 lbs./sq. foot
- Prohibit broiler cages
- Enriched environments, including litter, lighting and enrichments
- Processing in a manner that avoids pre-stun handling and uses controlled atmosphere systems (CAS)

The timeline for achieving the processing goal is contingent on the industry's investment in and transition to CAS over time. Beyond our stated goal, we continue to encourage suppliers to adopt higher-welfare production methods while preserving affordability for our customers.

More details are available in our [Animal Welfare Update](#).

Dairy Cow Welfare

Kroger requires that 100% of all domestic milk and dairy product suppliers that supply our dairy processing plants and *Our Brands* grocery assortment are enrolled in the National Dairy Farmers Assuring Responsible Management (FARM) Program, which provides uniformity of best practices and third-party certification in animal care and quality assurance. Kroger takes proactive steps to increase animal welfare oversight through agreements with our milk cooperatives, using measures such as more frequent animal welfare audits. We are a signatory to the U.S. Dairy Stewardship Commitment, supporting efforts to measure and improve dairy production impacts on people and our planet.

Polled Dairy Cows

Kroger recognizes the value of polled genetics to reduce the need for dehorning and disbudding in dairy cows and supports a transition to polled cows in a manner that is prudent. Currently, the population of polled dairy

cows is very small. While this number is certainly increasing, any significant change in herd genetics should be pursued deliberately and slowly to avoid unintended negative consequences that may affect cows' welfare and milk production. Through input from dairy experts and animal welfare specialists, we expect there will be more hornless dairy animals available, but that it is a longer-term process. In the meantime, we support the proper pain management protocols recommended by the National Dairy FARM Program.

Beef

More than 99% of fresh beef in Kroger's supply chain is from suppliers' U.S.-based production facilities. We continue to work with suppliers to advance animal welfare for cattle in our beef supply chain. Work in the second half of 2022 will help inform clear expectations for suppliers regarding certifications and audit standards and consider outcome-based measures of welfare.

Antibiotic-Free Meats

Kroger is a recognized industry leader with our offerings of antibiotic-free meats. In addition to several national brands, *Our Brands* Simple Truth® meat products are free from antibiotics and growth hormones. We recognize that the responsible use of antibiotics in the supply chain may be necessary to protect the health and welfare of animals if they become ill. Antibiotics should only be used under the supervision of a veterinarian and in alignment with veterinary guidelines in animal welfare standards and government regulations. Kroger does not support the use of antibiotics to promote growth.

Kroger also believes suppliers should be transparent in the use of antibiotics. This includes keeping records of antibiotic use and on-pack product claims to ensure customers have access to full information on the products they chose to purchase.

Genetically Modified Organisms (GMOs)

We recognize some customers may prefer products and ingredients that are not produced using GMOs or bioengineering methods. Kroger offers a wide assortment of options to meet those preferences, including products that are non-GMO certified and/or Certified Organic. This includes our Simple Truth® brand and other natural and organic brands. Notably for animal proteins, the non-GMO Project certification requires that qualifying animal proteins come from animals fed non-GMO diets.

Kroger does not sell genetically engineered salmon in the Seafood Department of our stores.

Plant-Based Proteins

Kroger is a retail leader in alternative proteins, including a growing line of *Our Brands* plant-based items, to support protein diversification and advance outcomes for people and our planet.

Animal Testing

Kroger does not conduct animal testing on our manufactured *Our Brands* products and ingredients, nor do we require or request that our contract suppliers conduct animal testing on products they produce for us. We support the transition away from unnecessary animal testing to alternative methods of testing product safety.

Use of Animal Fur

Kroger's *Our Brands* apparel and home goods products do not contain real fur.

Animal Welfare Governance

Oversight

Kroger's management approach to animal welfare is led by a cross-functional internal Animal Welfare Working Group with representation from our Corporate Food Technology; Ethics & Compliance; Merchandising; Sourcing; and Corporate Affairs teams. This working group meets regularly to review strategy, goal progress and other pertinent details. Animal welfare and our broader [Responsible Sourcing Framework](#) is overseen by the Public Responsibilities Committee of Kroger's Board of Directors.

For many years, Kroger has also relied on an external Animal Welfare Advisory Council that includes

independent animal science and animal welfare experts in representative protein categories. These advisers provide guidance on best practices and trends in animal welfare and ad hoc services to help address pressing issues. We will update the Council's charter and engagement plan in the second half of 2022.

Audits

Kroger requires select suppliers to provide evidence of an annual animal welfare audit to Kroger as part of doing business with us. We collect and review relevant audit information as part of the supplier set-up process in Kroger's Supplier Hub. Audits are expected to align with relevant industry standards and should be conducted by independent commercial third-party auditing companies. We are in the process of updating our animal welfare certification and audit standards to encourage suppliers to further improve welfare practices and to better measure and report progress going forward.

Issues Management

Kroger routinely monitors developments in animal welfare across our business. If we receive information alleging mistreatment of animals in our supply chain, we activate an established internal issue management protocol to guide key next steps, including reaching out to suppliers and third-party experts to help investigate concerns around animal welfare. This process may include suspending or terminating members of our supply chain, if appropriate. In most cases, Kroger takes the approach of supporting suppliers in correcting issues with time-bound corrective action plans, recognizing that this can help improve animal welfare in the supply chain for the long term.

Supplier Engagement

Kroger engages regularly with suppliers to communicate our requirements, monitor whether suppliers are meeting expectations, and collaborate toward continuous improvement. Suppliers are expected to:

- Submit audit details on an annual basis
- Engage with Kroger to discuss goals and progress
- Disclose data necessary to Kroger to calculate progress on our animal welfare goals
- Disclose any animal welfare issues or concerns to Kroger as part of the due diligence process and commit to corrective actions to address issues

Industry Engagement

Kroger regularly engages with retail and protein production industries to help improve animal welfare and achieve our goals. In early 2021, Kroger joined the Global Coalition for Animal Welfare (GCAW), the world's first industry-led collaboration aimed at advancing animal welfare globally. We also engage with the National Dairy FARM Program and U.S. Dairy Stewardship Commitment as they continue to advance expectations. Teams managing specific proteins engage with the respective industry organizations to stay informed on key topics and best practices.

Reporting & Transparency

We routinely engage a wide variety of stakeholders, including animal advocacy groups, to share information about our animal welfare approach and gather feedback. We disclose progress on our goals in our annual ESG report and in various scorecards and assessments. We plan to align with the relevant Sustainability Accounting Standards Board (SASB) reporting guidelines for animal welfare going forward.